COMPANY ENVIRONMENTAL POLICY

The company is committed to protecting the environment as a part of its business practices. It is our highest expectation that our vendor partners and their factories will follow our commitment and we will together do so by adhering to the following principles:

Compliance

We will comply with all applicable laws, regulations and permits and will implement programs and procedures to assure compliance. We will proactively participate with local, state and federal agencies to assure an understanding of not only the requirements, but also the basis for such requirements.

Conservation

We will observe the “4R” Principles for resource management: Replace, Reduce, Reuse, and Recycle. We will pay particular attention to reduce our environmental footprint by conserving raw materials, water and energy, by minimizing our use of solvents, inks and chemicals, and through minimizing packaging waste and hence, reducing both our purchasing and disposal costs.

Prevention

We will employ procedures and systems designed to prevent activities or conditions that pose threats to the environment. We will minimize risk and protect our employees and the community in which we operate.

Communication

We will communicate our commitment to environmental protection to our employees, suppliers and customers. We will educate and train our employees on environmental issues presented by their work and environmental effects of their activities. We will ask their help in meeting our goals.

Continuous Improvement

We will continuously seek opportunities to improve our understanding and adherence to these principles to reduce harmful environmental effects in the production of our goods. We will encourage our suppliers and contractors worldwide to do the same.

ENVIRONMENTAL MONITORING PLAN

This monitoring plan is intended primarily for implementation at the company’s facilities in the U.S., but our domestic and foreign vendors should also adapt this plan for their own operations so that our collective environmental stewardship efforts are consistent and effective to accomplish the goals and objectives described below.

A. The principal objectives of the this Monitoring Plan are listed as follows:

- To protect the safety and health and environment of company staff, visitors and any persons who may be affected by our operations activities;
- To protect the physical assets of the company;
- To protect the reputation of the company;
- To provide information for operations departments relative to their overall safety, health and environmental objectives;
- To comply with relevant safety, health and environmental legislation;
- To assist each department in achieving continual improvement in the management of safety, health and environmental issues;
- This Plan should be adopted for use by all vendors, contractors and factories, wherever situated, to ensure consistent application at all facilities that produce goods for our company.

B. Responsibilities of the appointed manager for Environmental, Health and Safety (“EHS”) issues:

- Ensuring the implementation of the Monitoring Plan by securing the commitment and co-operation of all staff;
- Allocating adequate personnel and financial resources;
- Devising and maintaining inspection, monitoring and auditing procedures and protocols;
- Ensuring that adequate and appropriate information from the monitoring and auditing systems is received in order to exercise effective control over safety, health and environmental matters;
- Making arrangements for staff training, at all levels;
- Regularly reviewing the company’s safety, health and environmental performance, and implementing any necessary action plans;
- Ensuring that the same management standards are applied to workplace inspections, monitoring and audits as are applied to other management functions;
- Ensuring that the organizational structure in place at the company is appropriate to manage health and safety matters related to workplace inspections, monitoring and audit issues;
- The appointed manager of EHS for the company will be the company’s [insert actual title here].

C. Responsibilities of the operations managers:
- Support the objectives of the company’s environmental policies and this monitoring plan;
- Ensuring areas under their control are inspected on schedule;
- Records of the inspections and remedial action plans are maintained;
- Corrective actions are completed on schedule;
- Audit/Inspection reports and/or significant findings are reported to all relevant parties.

D. Responsibility of the workers:
All employees, of every department, will be required to support the objectives of the company’s environmental policies and this monitoring plan.

E. Independent audits and inspections of vendors/factories:
It is the responsibility of the compliance manager [or other title, insert here], through cooperation with appropriate line management, to ensure effective management of contractors and vendors under their control. As such, the company will monitor and audit the facilities of the company’s main vendors and factories to ensure that the company’s requirements under its social compliance and environmental stewardship programs are being met.

These independent audits and inspections may also be conducted in connection with the company’s own facilities. The monitoring plan is applicable to the company’s plant(s), warehouses and offices being operated in the U.S., and, once adapted for local regulations and laws, to all production facilities operated by the company’s vendors, contractors and factories. Seven categories are covered:

<table>
<thead>
<tr>
<th>INDUSTRIAL WASTEWATER</th>
<th>ELECTRICITY CONSUMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIR EMISSIONS</td>
<td>WATER CONSUMPTION</td>
</tr>
<tr>
<td>HAZARDOUS WASTE</td>
<td>FUEL CONSUMPTION BY FORKLIFTS, TRUCKS AND ANY OTHER EQUIPMENT</td>
</tr>
<tr>
<td>GENERAL SOLID WASTE</td>
<td></td>
</tr>
</tbody>
</table>

F. Governmental Approvals and Permits:
For company facilities: For many of the categories listed above, the city or town zoning, building, fire and/or public health and safety, or environmental departments should be provided with a description of the manufacturing or decorating processes and other activities conducted at the company’s facilities wherever situated, together with a list of the chemicals being used in those facilities. The local agency will likely review the information, conduct site visits, and then provide instructions on monitoring parameters, method, frequency, and compliance standards.

The local agency will likely conduct an inspection of each applicable facility to determine what corrective actions may be needed in order to bring each facility into compliance with local regulations. Once the corrective actions have been made, the agency may issue appropriate operating and environmental permits for each facility.

For Vendors’ Facilities: Vendors’ facilities will be required to abide by their local regulations and obtain the necessary permits from their local authorities.
G. Frequency of inspections:

The timing and frequency of inspections should take into account inherent safety, health and environmental risks and, as a minimum, will be based on the environmental aspects and impacts list for high, medium and low risk areas.

1. Industrial wastewater discharge monitoring parameters; the company should obtain third-party tests on the wastewater to ensure that wastewater is not considered to be hazardous waste. Vendors’ facilities may likely have wastewater discharge due to the nature of their manufacturing and fabrication functions.

2. Air emissions monitoring parameters

<table>
<thead>
<tr>
<th>Flow Rate</th>
<th>Carbon Monoxide</th>
<th>Ethylbenzene</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge Volume</td>
<td>Nitrogen Oxide</td>
<td>Xylene</td>
</tr>
<tr>
<td>Temperature</td>
<td>Sulphur Dioxide</td>
<td>Cyclohexanone</td>
</tr>
<tr>
<td>pH</td>
<td>Ketones</td>
<td>n-Heptane</td>
</tr>
<tr>
<td>Volatile Organic Compounds</td>
<td>Benzene</td>
<td>Butanol</td>
</tr>
<tr>
<td>Total Suspended Solids</td>
<td>Toluene</td>
<td>Ethylbenzene</td>
</tr>
<tr>
<td>Carbon Dioxide</td>
<td>Trimethylbenzene</td>
<td>Isopropanol</td>
</tr>
<tr>
<td>Acetates</td>
<td>Propylene</td>
<td>2-Buthoxyethylester</td>
</tr>
</tbody>
</table>

The chemicals highlighted above are likely found in the material safety data sheets (“MSDS”) kept by the company. Depending on the requirements of the state where the company is based, these chemicals may need to be monitored individually or together as “total volatile organic compounds”. Factories should also keep records of MSDS of all chemicals and materials used in their plants for easy reference and in case of an emergency due to fire, spill, exposure or injury of any kind.

3. Hazardous waste
   - A list of all chemicals being used as listed above or as introduced to the facility.
   - SDS of these chemicals.
   - Quantity of the chemicals being purchased each month.
   - Quantity of each chemical being used each day.
   - Quantity of wastes resulted from these chemicals each month, including empty containers and material laden with the chemicals such as cloth or paper towels used for cleaning.

4. General solid waste
   - All general solid waste being generated shall be handled and disposed of appropriately. Examples are office waste, packaging material and defective products.
   - Quantity of the waste being generated each month.

5. Electricity consumption
   - The amount of electricity (kW-hr) consumed each month, as recorded on the electricity bill.
   - If possible, obtain the greenhouse gas emission factor (CO2 equivalent per kW-hr) from the local electric utility to calculate the greenhouse gas generated each month through the purchase of electricity.

6. Fuel consumption by forklifts, trucks and any other machinery or equipment
   - The amount of fuel (e.g. gasoline or natural gas) consumed each month by each vehicle and equipment.
   - If possible, obtain the greenhouse gas emission factor (CO2 equivalent per quantity) from the local EPA to calculate the greenhouse gas generated each month through the use of each fuel.

7. Water consumption; The amount of municipal water consumed each month, as recorded on the water bill.
Vendor Factory Environmental Action Plan

The following Vendor Factory Environmental Action Plan applies to all of the production facilities being operated by the company’s vendors, contractors and suppliers (“Vendors”) wherever situated in the U.S. or other country.

A. Short Term Actions

1. Permitting: Obtain discharge permits and waste storage permits from the applicable local environmental protection agency (“agency”) wherever vendors’ plants are located (if these permits have not yet been obtained).
   - Submit to the Agency a description of the production processes used in the facility together with a list of the chemicals being used.
   - The agency officer will review the information and then provide instructions on permitting requirements, and whether treatment would be required before the discharge of industrial wastewater and exhaust air.
   - The agency officer will also provide instructions, monitoring parameters, method, frequency, and compliance standards for each discharge and waste.
   - Follow the instructions of the agency officer to apply for the permits.
   - A first step that may be required by the agency office is the initial analysis of the industrial wastewater and exhaust air being generated. Based on the analytical results, the agency office may require treatment of the industrial wastewater and/or exhaust air before discharge.

2. Discharge treatment
   - If treatment is required by the agency office, install an adequate process that could meet discharge compliance standards, and then proceed with permit application.
   - If treatment is not required by the agency office, proceed with permit application following instructions.
   - For any treatment that may be required by the agency office, implement the discharge monitoring program as instructed. Submit monitoring results to the agency according to schedule.

3. Use and storage of chemicals
   - Allocate a designated area for chemical storage:
     - Storage area should be properly ventilated;
     - Incompatible chemicals should be stored separately;
     - Storage area should be fully equipped with first aid and spill kits;
     - Storage area should have proper records of chemicals contained;
     - All MSDS should be in-place and staff instructed on use.
   - It is also recommended that all chemicals should be stored with secondary containment barriers or devices, and ground surface should be protected by non-leak layer to prevent chemical leakage to soil and groundwater.
   - Ensure workers are aware that chemicals cannot be discharged to the environment in manners that violate the law window.
   - Ensure workers are aware of the risks that may be posed by the chemicals to the environment and personal health and safety.
   - Provide to workers - adequate personal protection equipment (PPE) in accordance with legal requirements or industry standards.

4. Separation and storage of different wastes
   - Allocate a designated area for waste storage.
   - Separate general solid waste from hazardous waste collection.
   - Quantify and record the amount of each chemical.
   - Ensure hazardous waste is stored and handled according with legal requirements applicable in the state.
   - Provide adequate PPE to workers who handle waste.
   - Employ a waste collection company certified by the state to dispose of the hazardous waste.
   - Recycle or reuse general solid waste within the facility as much as possible.
   - Employ a waste collection company certified by the state to dispose of the remaining amount of general solid waste.
5. Set up a company environmental health and safety (EHS) committee
   • Assign human and capital resources to EHS management;
   • The EHS committee may consist of top management executive; EHS manager/officer; operations manager;
     production/QA manager, ink manager, and supervisors;
   • Assignment of responsibilities for implementing EHS system that complies with legal requirements, corporate
     environmental policy, standards and procedures, is a vital step to properly executing the action plan.

6. EHS management
   • Set up procedures to ensure proper management of environmental, health & safety issues.

B. Medium Term Actions

1. Indoor air quality
   • Monitor and analyze air quality in the plant production areas, especially where chemicals such as solvents,
     thinners, inks and cleaning agents are used.
   • Check the monitoring results against standards issued by the appropriate national and/or state occupational
     health and safety agency having jurisdiction over the facility (“safety agency”).
   • Where necessary, install or improve on equipment for ventilating the plant areas in order to meet standards
     issued by the safety agency.
   • Enforce the adequate use of PPE by workers. It should also be noted that PPE is only the last line of defense,
     and should not be regarded as a substitute for equipment and process design that could properly ventilate the
     workshops.
   • If the ventilation described here would add to air emissions, the permitting and treatment actions described in the
     previous section should be taken.

2. Employees training & emergency drills
   • Prepare a systematic training program on environmental, health and safety.
   • Specific contents should be aimed at management staff, general workers, workers who use or are exposed to
     chemicals.
   • Establish emergency procedures in case of accidents or release of chemicals.
   • Provide the training to existing employees and to new employees upon commencement of employment.
   • Provide refresher training at least once a year.
   • Keep training and examination records of all employees.
   • Conduct emergency drills including fire drill in accordance with schedule specified by law.
   • Keep all drill records. Review these records to identify issues for improvement.

3. Long term actions
   a) EHS Management
      • Assign human and capital resources to manage internal audit program.
      • Set direction on continuous improvement.
      • Management review to be conducted annually.
   b) Reduction of Energy & Resource Consumption
      • Monitor and analyze consumption pattern on energy and resources.
      • Conduct an energy audit to identify areas for improvement.
      • Calculate the carbon footprint of the company.
      • Set targets and programs for reduction of consumption.
      • Assign employees to be responsible for the reduction programs.
      • Review results monthly to track progress.
      • Conduct a Life Cycle Assessment on products to identify other areas for improvement.
   c) Communication with Stakeholders
      • Compile information and statistics on EHS management.
      • Communicate the information to employees, customers, suppliers and other relevant parties. This
        would help to demonstrate the company’s social responsibility and environmental stewardship philosophy
        and efforts.

Sample was provided by industry members for the betterment of the promotional products industry.